

209159

## Department of Transportation

HAROLD E. LINNENKOHL COMMISSIONER (404) 656-5206

> PAUL V. MULLINS CHIEF ENGINEER (404) 656-5277

October 16, 2003

Secretary Surface Transportation Board Washington, DC 20423 State of Georgia #2 Capitol Square, S.W. Atlanta, Georgia 30334-1002

Office of Proceedings

OCT 20 2003

Part of Public Record LARRY E. DENT DEPUTY COMMISSIONER (404) 656-5212

> EARL L. MAHFUZ TREASURER (404) 656-5224

Re.: Number AB-55 (Sub No. 640) CSX Transportation Notification of Abandonment in Atkinson and Ware Counties, Georgia (Between Pearson and Waresboro).

To: Secretary, Surface Transportation Board, Washington DC

The Georgia Department of Transportation (GDOT) wishes to file a formal Protest supporting the opposition to the above referenced abandonment of the railroad from milepost AP 594.69 near Waresboro Ga., to milepost 617.94 near Pearson Ga. The application for abandonment was filed on September 5, 2003 by CSX Transportation Inc. and this protest is being filed with the STB within the 45 day requirement. Included are the protest filing and the requested ten (10) copies of the protest document with the required Certificate of Service.

We appreciate your concern in this matter.

Sincerely,

Hal Wilson, Administrator

Office of Intermodal Programs

Georgia Department of Transportation

CC : Louis E. Gitomer Natalie S. Rosenberg

Enclosure

### Before The

### Surface Transportation Board



Office of Proceedings

OCT 20 2003

STB No. AB-55 (Sub-No. 640)

Part of Public Record

CSX Transportation

Petition for Abandonment

-In Atkinson and Ware Counties, GA

(Between Waresboro and Pearson).

Verified Statement of

Hal Wilson – Administrator Georgia Department of Transportation 276 Memorial Drive, S.W. Atlanta, GA 30303

# Verified Statement of Hal Wilson Georgia Department of Transportation



Docket No. AB-55 (Sub-No. 640)

The Georgia Department of Transportation (GDOT) is the designated agency in Georgia that ultimately oversees Rail Planning statewide. As the designated agency, the department has conducted a review on the possible impacts this railroad will have on Southeast Georgia. The conclusions we uncovered appear bleak for the rural communities involved. This struggling rail line, if left unchecked, will succumb and will depress the region even further. The area remains heavily dependent on the manufacturing and agricultural sectors. The economy of the area in general has not been robust. The potential job loss in Atkinson County alone would be staggering.

This rail line segment proposed for abandonment lies entirely in Ware and Atkinson Counties located in Southeast Georgia between Milepost 594.69 (Waresboro, GA) and Milepost 617.94 (Pearson, GA). At one time it was part of a former mainline that once was a 120 mile railroad between Waycross and Albany (running through Pearson, GA). It had been helping South Georgia's economy throughout most of the 20<sup>th</sup> Century. However, in the 1980's CSX Transportation (CSX) acquired the line and started to abandon major portions of the line. In 1981 CSX started to cut out other portions of the line between Columbus and Albany in Southwest Georgia. In 1985 the segment between Albany and Pearson (near Waycross) was abandoned. As a result this vacant corridor across rural South Georgia has resulted in restricted industrial growth and has withdrawn prosperity from the region. The Pearson to Waycross segment is one of the last surviving segments of the former mainline in Southeastern Georgia.

The end result of losing this track segment is it would damper any public efforts to preserve and restore the feeder rail line network of Georgia. One of GDOT's programs is to acquire and rehabilitate railroads to better preserve Georgia's entire rail

network. In the past twenty years the department has acquired nearly 500 miles of railroad property and rehabilitated over 600 miles of railroad track. In most cases, these railroads would have been abandoned and the impact detrimental to the local economy. This part of Georgia is already suffering from some of the highest unemployment rates in the state. Southeast Georgia's unemployment rate over the summer climbed to as high as 6.2% whereas the statewide average hovers around is 4.7%.

CSX has maintained that they advertised this railroad line to the region's shortline railroad operators. None of Georgia's shortlines were advised of this information. There are currently 19 shortline operators in Georgia, nine (9) of which are in the South Georgia region and none of them were aware that they could indeed provide rail service. As of last month, GDOT has discovered an interest from a perspective shortline operator. It is our understanding that this perspective operator is in touch with the owning railroad (CSX) about the possibility of purchasing the line and providing service. GDOT is in full support of this transaction and a shortline railroad being in place on the line.

GDOT believes that not enough time and effort has been made to market this line to potential industrial shippers. There are numerous sites along the railroad for industrial commerce. There are also plans for a new \$50 million dollar Wood Processing mill to be located in Axson, GA (7 miles East of Pearson) adjacent to the rail line. This new mill would employ over 150 people in the first year of operation. This state-of-the-art mill would create the need for additional supporting services in the area. Overall, hundreds of jobs could be reintroduced into Atkinson and Ware Counties. The company planning the new mill is currently in the site selection phase of development and needs rail access to select this site. Also, the two Georgia Pacific wood mill facilities would consider reopening as long as the railroad remains in place. Georgia Pacific has two facilities there on the railroad, but they will only be slated for reopening if the railroad remains active.

One of the key shippers (Cady Industries) on the line is faced with the decision of having to shut down and move out of state if this railroad line is abandoned. The

railroad plays a vital role in their shipping practices and it would be a huge loss for them to lose local rail service. Cady has been in business in South Georgia for over 50 years. The increased transport and trucking cost caused by the loss of rail service could greatly influence the way they do business. This would ultimately eliminate any chance of growth and profit at their Pearson facility. Cady Industries has another facility in Memphis, TN and the Georgia operations would most likely be moved there if the line were to be abandoned. The new upcoming plans for growth (or new jobs) would instead go to those out of state facilities.

The shippers located on the line are not able to relocate to the Waycross terminal area. The CSX representatives made no realistic effort to accommodate the shippers in Waycross (nearly 30 miles away from Pearson). The recommended site was of poor quality and the possibility of trucking the selected material(s) to the recommended site has already been deemed impossible by the active shippers. The industries currently on the line have indicated they will not move their "truck to rail" operations to Waycross. The increased time and cost will cause overall transportation cost to dramatically increase.

South Georgia is already in a depressed economic state and the city of Pearson will be impacted the most. If the railroad pulls out it would eliminate any future chances of growth, and it ultimately damage the quality of life in Atkinson and Ware Counties. Atkinson County and the City of Pearson already have plans for an Industrial Park near the railroad. Pearson and Atkinson County have a combined population of 7,600 residents and they are all directly or indirectly depending on the railroad being there to attract new jobs to their area. Rail transportation is vital to these communities and counties in South Georgia so they can maintain their current industries and attract new industry.

### Certificate of Service

I hereby certify that on October 16, 2003, I served the foregoing document, Petition for Protest Against Abandonment –In Atkinson and Ware Counties, GA (Between Waresboro and Pearson). Docket No. AB-55 (Sub-No. 640), by overnight mail on the following:

Natalie S. Rosenberg, Esq. CSX Transportation, Inc 500 Water Street Jacksonville, FL 32202

Louis E. Gitomer, Esq. Ball Janik LLP 1455 F Street, NW Suite 225 Washington, DC 20005

Hal Wilson- Administrator

Office of Intermodal Programs Georgia Department of Transportation

276 Memorial Drive, S.W.

Atlanta, GA 30303